

PROPOSITION

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STEM CELL RESEARCH. FUNDING. BONDS. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.

OFFICIAL TITLE AND SUMMARY

Prepared by the Attorney General

Stem Cell Research. Funding. Bonds. Initiative Constitutional Amendment and Statute.

- Establishes “California Institute for Regenerative Medicine” to regulate stem cell research and provide funding, through grants and loans, for such research and research facilities.
- Establishes constitutional right to conduct stem cell research; prohibits Institute’s funding of human reproductive cloning research.
- Establishes oversight committee to govern Institute.
- Provides General Fund loan up to \$3 million for Institute’s initial administration/implementation costs.
- Authorizes issuance of general obligation bonds to finance Institute activities up to \$3 billion subject to annual limit of \$350 million.
- Appropriates monies from General Fund to pay for bonds.

Summary of Legislative Analyst’s Estimate of Net State and Local Government

Fiscal Impact:

- State cost of about \$6 billion over 30 years to pay off both the principal (\$3 billion) and interest (\$3 billion) on the bonds. Payments averaging about \$200 million per year.
- Unknown potential state and local revenue gains and cost savings to the extent that the research projects funded by this measure result in additional economic activity and reduced public health care costs.

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

Stem Cell Research. A stem cell is a type of cell found in both animals and humans that has the potential to develop into many different types of specialized cells in the body. Scientists have conducted research on stem cells to better understand how animals and humans develop and how healthy cells replace damaged cells. This research has led to the development of treatments of a variety of cancers and blood disorders. Some scientists believe that stem cell research may, at some point in the future, result in new treatments of diseases. (See the nearby box for additional information on stem cell research.)

California law currently permits research involving stem cells. The University of California (UC) is currently engaged in this type of research. The exact amount of UC research funding devoted to stem cell research could not be determined, but the

available information suggests that the total funds spent for these purposes range from the millions of dollars to the tens of millions of dollars annually.

The federal government provides funding for research that uses different types of stem cells, including adult and embryonic stem cells. In the 2002 federal fiscal year, the federal government dedicated more than \$180 million in funding for stem cell research conducted nationwide. The federal government currently places certain restrictions on funding for research that uses embryonic stem cells.

State law currently prohibits human reproductive cloning, a process to create a human that is an exact genetic copy of another.

General Obligation Bonds. The state generally uses general obligation bond funds to finance major state capital outlay projects. General obligation bonds are backed by the state, meaning that